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## PAY SCHEDULES AND INCOME TAXES IN YUGOSLAVIA

I. Peric

Until 1 February 1950, all salaries and regular bonuses of blue- and white-collar workers were subject to income tax, except the pay of persons decorated with the Order of People's Hero and job trainees. Household servants were subject to income tax only on that part of their pay which was given to them in the form of subsistence. The Federal Government of Yugoslavia repealed the law on income tax 21 January 1950, thus releasing blue- and white-collar workers from the payment of income taxes. According to the new law, workers in certain categories, such as porters, carpenters, street vendors of newspapers, bootblacks, and workers engaged in similar occupations pay income tax in the following amounts: in towns of 5,000 population, 100 dinars annually; 20,000 population, 150 dinars annually; 50,000 population, 200 dinars annually; and in towns of 100,000 population or more, 300 dinars annually.

The new order on social security for blue- and white-collar workers and their families, issued 21 January 1950, exempts them from social security taxes. The state itself now provides the funds for the social security of all workers.

The Fedural Government of Yugoslavia has authorized an increase in the net pay of workers by a part of that share of the social security tax which was formerly cont. ibuted by them. On 7 February 1950, the Federal Government of Yugoslavia, therefore, issued an order increasing the pay of blue- and white-collar workers.

The worker's contribution to social security was 6.8 percent of his pay. Workers whose monthly pay was not over 80 percent of the minimum salary of an unskilled worker did not pay a social security tax. Certain categories of workers, such as those decorated with the Order of People's Hero or with Partisan medals, disabled veterans, etc., contributed less than 6.8 percent of their pay.

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The lowest pay of an unskilled worker was estimated at 9 dinars per hour. Therefore, the social security tax was levied only on those whose pay was more than 1,498 dinars per month. If a worker's pay was 1,498 dinars or less per month, it remains unchanged according to the new order.

Workers' pay formerly ranged from 6 to 40 dinars per hour. The new law provides for the range to be from 5.60 to 35 dinars per hour. The monthly pay of workers formerly ranged from 1,800 to 6,500 dinars per month. It now ranges from 1,660 to 5.780 dinars per month. Agricultural workers' pay formerly ranged from 1,800 to 3.400 dinars per month; it now ranges from 1,660 to 3,110 dinars per month. Electrical and machine workers were formerly paid from 2,200 to 6.300 dinars per month; they are now paid from 2,030 to 5,610 dinars per month. Workers in automobile, bus, and streetcar transportation formerly earned from 3,000 to 4,500 dinars per month; they now earn from 3,020 to 4,070 dinars per month. Workers in stage and film studios and in stage and film workshops formerly earned from 3,000 to 6,500 dinars per month; they now earn from 2,750 to 5,780 dinars per month.

Hourly bonuses for unbroken employment /nonabsenteeism? formerly ranged from 0.50 to 3 dinars per hour; they now range from 0.50 to 2.80 dinars per hour. Bonuses for work done under extraordinarily difficult conditions formerly ranged from 1 to 4 dinars per hour; they now range from 0.90 to 3.70 dinars per hour. Bonuses for work underground formerly ranged from 2 to 5 dinars per hour; they now range from 1.90 to 4.60 dinars per hour. Special bonuses to workers driving vehicles with trailers formerly ranged from 4 to 12 dinars per hour; they now range from 3.70 to 11 dinars per hour. Bonuses for foremen formerly ranged up to 2 dinars per hour; they now range up to 1.90 dinars per hour.

Bonuses for work done under extraordinarily difficult conditions in construction formerly ranged from 25 to 45 dinars per day; they now range from 23.30 to 41.90 dinars per day. Special bonuses in mining, forestry, and certain construction projects (such as Ploce Harbor) ranged from 20 to 45 dinars daily; they now range from 18.70 to 41.90 dinars daily.

Bonuses for unbroken employment in operating electrical and machine equipment, and in automobile, bus, streetcar transportation, formerly ranged from 200 to 600 dinars monthly; they now range from 190 to 560 dinars monthly. Special bonuses for workers employed in medical establishments formerly ranged from 500 to 1,400 dinars monthly; they now range from 470 to 1,300 dinars monthly. Bonuses for workers engaged in instruction of trainees in workshops formerly ranged from 300 to 1,000 dinars monthly; they now range from 280 to 930 dinars monthly.

Trainees in commercial enterprises are paid by the month, all other trainees by the hour. Trainees in commercial enterprises formerly earned from 1,000 to 1,846 dinars monthly; they now earn from 1,000 to 1,760 dinars monthly. Wages of all other trainees formerly ranged from 2.50 to 12 dinars per hour; they now range from 2.50 to 11.50 dinars per hour. Barber, hairdresser, and certain other trainees receive the minimum pay, 2.50 - 3.50 dinars per hour, for a training period of 6 or 18 months.

Salaries of white-collar workers formerly ranged from 1,800 to 8,000 dinars monthly. They now range from 1,660 to 7,020 dinars monthly.

The pay of workers employed in enterprises of the Ministry of National Defense can be increased up to 20 percent on the basis of the order regulating salaries of workers employed in enterprises, establishments, and other units of the Yugoslav Army. The pay formerly ranged from 10 to 12 dinars per hour for unskilled workers; it now ranges from 9.20 to 11 dinars per hour. The pay for semiskilled workers formerly ranged from 13 to 15 dinars per hour; it now ranges

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from 11.90 to 13.70 dinars per hour. The pay for skilled workers formerly ranged from 16 to 20 dinars per hour; it now ranges from 14.60 to 18.10 dinars per hour. The pay for exceptionally qualified workers formerly ranged from 21 to 26 dinars per hour; it now ranges from 19 to 23.30 dinars per hour.

The wages of household workers and janitors of buildings are regulated by the ministries of labor of the people's republics after consultation with the labor unions concerned. The wages of household workers remain unchanged because they were not taxed for social security and because their income taxes were regularly paid by their employers. The wages of janitors of buildings are paid partly in cash and partly in subsistence, electric light, fuel, etc. If the total pay (including cash and money equivalent of subsistence, etc.) amounts to over 1,498 dinars monthly, the new pay is computed by subtracting the amount of income tax and a 6.8-percent tax for social security, and adding 2.4 percent of the original gross pay. If the total pay amounts to less than 1,498 dinars monthly, the new pay remains the same.

In all other cases where the pay has been stable and contributions have been made to social security, the new pay is computed by subtracting the amount of income tax applicable and 6.8 percent for social welfare, and adding 2.4 percent of the original gross pay.

The pay of job trainees on state farms remains unchanged in the first two grades: namely, 6 and 7 dinars per hour respectively. The pay of 9 dinars per hour for trainees in the third grade has been changed to 8.60 dinars per hour.

The new law increases the income of Yugoslav workers by over 2,600,000,000 dinars annually.

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